



# State Revolving Fund Program Loan Finance Rate Fact Sheet

## Finance Rate

When the Alaska Department of Conservation (DEC) State Revolving Fund Program makes a loan offer, a fixed finance rate that includes both a 0.5% administrative fee as well as the interest rate is established. Pursuant to Title 18 Chapter 76 of the Alaska Administrative Code (18 AAC 76), the finance rate is determined by the loan repayment period and by the current municipal bond index. The rate reflects the current market trend represented by Bond Buyer's Municipal Bond Index Current Day Yield to Maturity. For information about the current bond index and the SRF finance rate, contact the SRF Program.

- When the Bond Index is 4% or less, the finance rate shown in Column 2 is used.
- When the Bond Index is greater than 4%, the finance rate is calculated as shown in column 3 below.

Column 1	Column 2	Column 3
Loan Repayment Period	Finance Rate (when the Bond Index* is less than 4%)	Finance Rate (when the Bond Index* is greater than 4%)
20-30 Years	2%	$2 + [0.75 \times (Bond\ Rate - 4)]$
5-20 Years	1.5%	$1.5 + [0.625 \times (Bond\ Rate - 4)]$
0-5 Years	1%	$1 + [0.5 \times (Bond\ Rate - 4)]$
< 1 Year	0.5%	0.5%

## Loan Terms

- The repayment period of the loan may not exceed 30 years or the useful life of the project.
- After a loan is executed, the finance rate is fixed throughout the life of the loan.
- Accrual of the finance rate begins one year after the date of the first disbursement to the borrower.

## Contact Information

If you have questions about the loan finance rate, contact the SRF Program at [dec.srfprogram@alaska.gov](mailto:dec.srfprogram@alaska.gov).